



## **National Drug Code Requirement Clarification**

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### **Introduction**

This bulletin contains additional information regarding the National Drug Code (NDC) Requirement issued by the Deficit Reduction Act of 2005 and clarification of information provided in MO HealthNet's National Drug Code Requirement Bulletin (Volume 30, Number 29) issued January 8, 2008.

### **CMS Hardship Waiver**

The MO HealthNet Division is submitting an application for a hardship waiver to the Centers for Medicare and Medicaid Services (CMS). This waiver will allow Missouri to continue receiving federal matching funds while not immediately requiring full provider readiness regarding the new claim requirements mandated by the Deficit Reduction Act of 2005. **It does not relieve providers from the requirement to provide NDC numbers when state systems are ready. Missouri's system conversion began February 1, 2008.** The MO HealthNet claims processing system does not allow for parallel billing processes. Once the conversion occurred, we are no longer able return to the previous billing procedures. The Division appreciates the impact of this billing requirement to the provider community. These changes affect billing processes, workflow, policies, and related procedures for both the state and its participating providers. The Division further appreciates the understanding and support from providers during the incorporation of these federal mandates.

If providers elect to delay billing while implementing system enhancements, they have a full twelve months from date of service to submit claims. Please note, if delay of billing poses economic hardships, providers continue to have the option of submitting electronic drug claims individually or by batch method through MO HealthNet's billing Web site, [www.emomed.com](http://www.emomed.com), using the NDC and J-code that best represents the NDC being billed. For more detailed claim filing instructions, please see either the "Help" option at the bottom of each claim form in Emomed, the X 12N Version 4010A1 Companion Guide for electronic 837 claims, or contact the Infocrossing MO HealthNet Helpdesk at 573-635-3559.

### **Paragard T380-A**

Physicians previously submitted charges for the copper IUD, Paragard T380-A, under HCPCS procedure code J7300. Effective for dates of service February 1, 2008 and after, claims for this product require the NDC as well as the J-code. See the National Drug Code Requirement Bulletin (Volume 30, Number 29) issued on January 8, 2008 for more information regarding this requirement.

### **National Drug Codes Without Corresponding J-Codes**

This is a clarification to information provided in the National Drug Code Requirement Bulletin regarding the use of J-codes with the corresponding NDC. National Drug Codes (NDC) may be billed with the appropriate HCPCS or CPT procedure code for the medication administered or dispensed. This includes but is not limited to C-codes, G-codes, J-codes, Q-codes, S-codes and non-VFC vaccination CPT codes. However, system work to accommodate the billing of an NDC with a procedure code other than a J-code will be completed by April 1, 2008. To prevent claim denials, providers should hold all drug charges that do not have a corresponding J-code until the system work has been completed. Another bulletin will be released advising providers when they may submit claims for these drug charges. Once the work is complete, a separate drug claim will be created when a NDC is submitted with any HCPCS or CPT procedure code.

The NDCs without corresponding J-Codes cannot be billed under the following J-codes:

J3490 - Unclassified drug

J7599 - Immunosuppressive drug, not otherwise classified

J8499 - Prescription drug, oral, nonchemotherapeutic, NOS

J8999 - Prescription drug, oral, chemotherapeutic, NOS

**Note:** Radiopharmaceuticals are still to be billed under HCPCS procedure codes A4641 "Radiopharmaceutical, diagnostic, not otherwise classified" and/or A9699 "Radiopharmaceutical, therapeutic, not otherwise classified"

### **Prescribing Physician on the Drug Claim**

The Prescribing Physician's MO HealthNet Provider Number is a required field on the Pharmacy/Drug claim. The Prescribing Physician is the physician, or health care provider with prescribing authority, who prescribed the medication administered. For the Pharmacy/Drug claims created from the Professional ASC X12N 837 Health Care claim

transaction and the Medical claim option available on MO HealthNet's billing Web site, [www.emomed.com](http://www.emomed.com), the system will pull the Performing/Rendering Provider number from the line detail submitted with the HCPCS or CPT procedure code and NDC. For Pharmacy/Drug claims created from the Institutional ASC X12N 837 Health Care claim transaction and the Outpatient claim option available on MO HealthNet's billing Web site, [www.emomed.com](http://www.emomed.com), the system will pull the Attending Provider information from the claim. The prescribing physician's MO HealthNet legacy provider number must be shown in these fields for proper reporting and claims processing purposes.

### **Prescription Number**

The prescription number is a required field and must be a unique sequential identification number. The patient account number may be used but an additional unique identifying numeric character must be added to this patient account number to make it unique for each occurrence of dispensed or administered drugs. The prescription number is used to sort claims submitted electronically on the remittance advice. It is also used to aid in claim identification if an adjustment is required. Not using a unique number for each drug line billed can lead to credits or adjustments of claims other than those intended. The prescription number is required for drug information submitted on all electronic claim transactions except the Medicare/MO HealthNet crossover claim options on MO HealthNet's billing Web site, [www.emomed.com](http://www.emomed.com).

### **Unit or Basis of Measure**

The NDC and other drug information is reported within the 2400 loop (line detail) of the electronic Institutional ASC X12N 837 Health Care claim transaction. Within this loop is a required field titled "Unit or Basis of Measure". This field is used to qualify the drug form of the medication administered. Valid qualifiers are:

F2 – International Unit

GR – Gram

ML – Milliliter

UN – Unit

This qualifier represents the decimal quantity dispensed to the patient in the "Metric/Decimal Quantity" field. For example: A provider administers Neulasta which comes in a prefilled syringe with 6mg 0.6ml/cc per syringe. The "Unit or Basis of Measure" qualifier is "ML" and the decimal quantity shown in the "Metric/Decimal Quantity" field would be "0.6" if one syringe was administered or "1.2" if two syringes were administered.

### **Compound Medications**

Each component of a compound medication must be submitted individually. If submitting via the Professional or Institutional ASC X12N 837 Health Care claim transaction or entering a claim into the Outpatient or Medical claim options on MO HealthNet's billing Web site, [www.emomed.com](http://www.emomed.com), each component (drug) must appear on separate lines of the claim using the appropriate procedure code and NDC. If manually entering a claim into the Pharmacy claim option at MO HealthNet's Billing Web site, each component (drug)

must be submitted as a separate claim with the appropriate compound indicator. Click on the "Help" link at the bottom of Pharmacy claim screen for compound indicator instructions.

### **Outpatient Hospitals Billing for 2-Day Supply of Take-Home Medications**

MO HealthNet policy allows hospitals to send up to a two day supply of medications home with a participant due to lack of pharmacy availability at night or on weekends. This take-home medication must be billed with two separate dates of service. For example: A two day supply of take-home medication(s) is given to the participant on Friday, March 14, 2008. The claim will reflect a one day's supply of medication(s) with the date of service March 14, 2008. The second day's supply will have the date of service March 15, 2008. Line details with a "From" and "Through" date of service totaling more than one day's supply will be denied.

### **Revenue Code 0250**

This is a correction to information provided in the "Outpatient Hospital Providers" section of the National Drug Code Requirement bulletin regarding the use of Revenue Code 0250. MO HealthNet does not require the use of Revenue Code 0250 "Pharmacy" to report all drug information on the outpatient claim. Hospital providers should use the most appropriate Revenue Code, and procedure code when required, for the service, drug or item provided to the MO HealthNet participant.

### **Medicare/MO HealthNet Crossover Claims**

Medicare/MO HealthNet Crossover claims require the NDC for all drug charges with coinsurance and/or deductible amounts to be considered for payment. Editing will be applied to check for validity of the NDC and Metric/Decimal Quantity combinations. However, the drug information will remain on the crossover claim in the form of the HCPCS or CPT procedure code submitted and will not be processed separately.

The line detail of a crossover claim submitted via the Professional or Institutional ASC X12N 837 Health Care claim transaction is capable of holding up to 25 different NDC and Metric/Decimal Quantity combinations. If a claim line detail is submitted with multiple NDC and Metric/Decimal Quantity combinations, the coinsurance and/or deductible amount(s) will be considered for payment if at least one combination is valid. If none of the NDC and Metric/Decimal Quantity combinations are valid, the line will deny.

### **Dental Providers**

Dental providers submitting claims with a provider number that begins with "40", and billing on the ADA 2002,2004 Dental claim form, will continue to submit J-codes for the medications they administer and are exempt from the NDC requirement. However, Dental providers practicing in a Federally Qualified Health Clinic (FQHC) and submitting claims under the FQHC's provider number that begins with "50" must meet the NDC requirement for all medications administered. See the National Drug Code Requirement Bulletin (Volume 30, Number 29) issued on January 8, 2008 for more information regarding this requirement.

**Provider Bulletins** are available on the MO HealthNet Division (MHD) (Formerly the Division of Medical Services) Web site at <http://dss.mo.gov/mhd/providers/pages/bulletins.htm>. Bulletins will remain on the Provider Bulletins page only until incorporated into the [provider manuals](#) as appropriate, then moved to the Archived Bulletin page.

**MO HealthNet News:** Providers and other interested parties are urged to go to the MHD Web site at <http://dss.missouri.gov/mhd/global/pages/mednewssubscribe.htm> to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

**MO HealthNet Managed Care:** The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service
- Services not included in MO HealthNet Managed Care

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the red MO HealthNet card or by calling the Interactive Voice Response (IVR) System at 573-635-8908 and using Option One.

**Provider Communications Hotline**  
**573-751-2896**